

## TEXT OF PROPOSED REGULATIONS

In the following, underline indicates adopted text and strikethrough indicates deleted text.

### Article 1.5. Inmate Wages and Deductions

New Section 3099 is adopted to read.

#### **3099. Inmate Trust Account Interest**

(a) Beginning January 1, 2009, interest earned on Inmate Trust Account deposits shall be distributed to qualifying inmates' trust accounts based upon the average daily balance in their trust account. A qualifying inmate is one who has provided a Social Security Account Number or a Taxpayer ID Number and that number has been validated with either the Social Security Administration or Internal Revenue Service.

(b) Interest will be distributed in whole penny increments. (Interest will not be rounded up to the next penny).

(c) Inmate Trust Account funds shall be deposited into an interest bearing account within the California State Treasury.

(d) The State Treasury account bears interest quarterly. Operational costs shall be deducted from the interest earned on that account prior to disbursement of the remainder to qualifying inmate trust accounts on a monthly basis. The interest rate paid to inmates will be determined by reducing the rate earned to a rate that will allow maximum distribution of available interest to qualifying inmates. The rate paid will not exceed the rate earned.

(e) Inmates with validated U. S. Social Security Account numbers or validated Tax ID numbers shall be eligible to receive interest.

(f) Inmates who have received \$10 or more interest during a tax year shall have a Form 1099INT filed by CDCR.

(g) Interest distribution shall occur monthly and be subject to all normal debts and obligations including restitution.

(h) Costs for providing interest such as charges by Social Security Administration for validation of Social Security Numbers, cost of forms for reporting, and mailing costs will be deducted from the interest earned prior to distribution to inmates.

(i) The balance of the interest earned is the amount remaining after distribution of whole penny increments plus interest earned on non-qualifying inmate trust accounts less cost of providing interest. The balance of interest earned remaining at the end of a fiscal year shall be deposited into the Inmate Welfare Fund for the benefit of all inmates.

NOTE: Authority cited: Sections 5058 and 5058.3, Penal Code. Reference: Sections 5008 and 5054, Penal Code.